

**42 USC 300gg-
MARKET REFORMS.****SEC. 2744. STATE FLEXIBILITY IN INDIVIDUAL**

**(a) WAIVER OF REQUIREMENTS WHERE
IMPLEMENTATION OF**

ACCEPTABLE ALTERNATIVE MECHANISM.—

"(1) IN GENERAL.—The requirements of section 2741 shall not apply with respect to health insurance coverage offered in the individual market in the State so long as a State is found to be implementing in accordance with this section and consistent with section 2746(b), an alternative mechanism (in this section referred to as an acceptable alternative mechanism)."

"(A) under which all eligible individuals are provided a choice of health insurance coverage:

"(B) under which such coverage does not impose any preexisting condition exclusion with respect to such coverage:

"(C) under which such choice of coverage includes at least one policy form of coverage that is comparable to comprehensive health insurance coverage offered in the individual market in such State or that is comparable to a standard option of coverage available under the group or individual health insurance laws of such State: and

"(D) in a State which is implementing—

"(i) a model act described in subsection (c)

"(ii) a qualified high risk pool described in subsection (c)(2), or

"(iii) a mechanism described in subsection

(c)(3).

"(2) PERMISSIBLE FORMS OF MECHANISMS.—A

private or public individual health insurance mechanism (such as a health insurance coverage pool or programs, mandatory group conversion policies, guaranteed issue of one or more plans of individual health insurance coverage, or open enrollment by one or more health insurance issuers), or combination of such mechanisms that is designed to provide access to health benefits for individuals in the individual market in the State in accordance with this section may constitute an acceptable alternative mechanism.

"(b) APPLICATION OF ACCEPTABLE ALTERNATIVE MECHANISMS.—**"(1) PRESUMPTION.—**

"(A) IN GENERAL.—Subject to the succeeding

provisions
of this subsection, a State is presumed to be
implementing
an acceptable alternative mechanism in
accordance with
this section as of July 1, 1997, if by not later
than April
1, 1997, the chief executive officer of a State—

"(i) notifies the Secretary that the
State has
enacted or intends to enact (by not later
than January
1, 1998, or July 1, 1998, in the case of a
State described
in subparagraph (B)(ii)) any necessary
legislation to
provide for the implementation of a
mechanism reasonably
designed to be an acceptable
alternative mechanism as of January 1, 1998, (or, in the
case of a
State described in subparagraph (B)(ii),
July 1, 1998);
and

"(ii) provides the Secretary with such
information
as the Secretary may require to review the
mechanism
and its implementation (or proposed
implementation)
under this subsection.

"(B) DELAY PERMITTED FOR CERTAIN STATES.—